GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1800
ANSWERED ON:10.03.2017
GST
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set forth any new timeframe for the implementation of Goods and Services Tax (GST) in the country;

(b) if so, the details thereof and the reasons thereof along with the steps being taken by the Government in this regard;

(c) whether the deadlock in the implementation of GST is due to non-consideration of views and proposals of the States in regard to revenue loss collection of inter-State taxes, port trade, etc.;

(d) if so, the details thereof along with the existing taxes to be abolished upon implementation of GST;

(e) the details of long term benefits expected by GST in the country; and

(f) the effective steps taken/being taken by the Government to sort out those issues and for speedy implementation of GST?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) The GST Council in its 9th Meeting held on 16 January 2017 took note of the work to be completed for the rollout of GST and after deliberations, agreed to extend the date for rollout of GST from 1st April 2017 to 1st July 2017. Steps taken to ensure rollout of GST by 1st July 2017 include approval of the Draft GST Compensation Law by the GST Council in its 10th Meeting on 18 February 2017 held in Udaipur, Rajasthan. Subsequently, the Draft CGST Law and Draft IGST Law were approved in the 11th Council Meeting held on 4 March 2017 at New Delhi. The issues of dual control and cross empowerment were resolved in the 9th Meeting of the GST Council held on 16 January 2017 in which a broad agreement was reached on the issue of cross-empowerment to achieve single interface of taxpayer with the tax administration in the GST regime.

(c) All the decisions taken by the GST Council so far have been based on consensus among the Centre and the States. So, the question does not arise.

(d) At the Central level, the following taxes are being subsumed in GST:
a. Central Excise Duty,
b. Additional Excise Duty,
c. Service Tax,
d. Additional Customs Duty commonly known as Countervailing Duty, and
e. Special Additional Duty of Customs.
f. Cesses and surcharges (Except Clean Energy Cess)

At the State level, the following taxes are being subsumed in GST:
a. State Value Added Tax/Sales Tax,
b. Central Sales Tax (levied by the Centre and collected by the States),
c. Entertainment Tax (other than the tax levied by the local bodies),
d. Octroi and Entry tax,
e. Purchase Tax,
f. Luxury tax, and
g. Taxes on lottery, betting and gambling.
h. State cesses and surcharges in so far as they relate to supply of goods and services.

(e) GST will simplify and harmonise the indirect tax regime in the country. It is expected to reduce cost of production, thereby making the Indian trade industry more competitive, domestically as well as internationally. It is also expected that introduction of GST will foster a common or seamless Indian market and contribute significantly to the growth of the economy. Further, GST will broaden the tax base, and result in better tax compliance due to robust IT infrastructure.

(f) GST Council is presently deliberating on various issues entrusted to it. All the decisions taken by the Council so far have been based on consensus. GST is going to be implemented soon in the country, therefore, simultaneous and concert efforts are also being made by the government in the form of IT readiness, rigorous consultations, workshops and training sessions for the industry and traders, and all other stake holders involved etc.